



COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA
COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

September 10, 2003

MEMORANDUM

TO: Fiscal Officers of State Agencies
And Institutions

FROM: Karen M. Robinson, Manager
State Payroll Operations and Financial Analysis

SUBJECT: Small Purchase Charge Card Underutilization

As part of the Commonwealth's ongoing efforts to increase efficiency and reduce operating costs, the Department of Accounts (DOA) fully implemented the Small Purchase Charge Card (SPCC) program in 1996. Statistics show that the SPCC program results in an estimated 67% reduction in the number of checks produced to pay for small purchases. Agencies are also able to reduce voucher preparation costs and improve prompt payment performance while Commonwealth vendors eliminate costly billing and receipt processing and get quicker payment.

To encourage maximum use of the purchasing card to further reduce the costs of processing vendor payments, the Comptroller began reporting SPCC data in the September 2002 Quarterly Report. Despite several efforts to increase utilization and coordinate SPCC and eVA usage, statewide utilization stands at 72% with no increase over the past year. Therefore, in accordance with Section 4-5.06g of the Appropriation Act, DOA will begin charging a check fee effective October 1, 2003.

DOA recognizes that not every small purchase is suitable for payment with the American Express purchasing card. Therefore, the check fee will only be imposed on agencies and institutions failing to place a minimum of 70 percent of eligible transactions on the purchasing card during the quarter. An eligible transaction is defined as a purchase of less than \$5,000 made from an American Express participating vendor. The Comptroller's goal is to encourage maximum use of proven cost reduction tools that are currently available but underutilized. Agencies are encouraged to quickly take action to improve utilization so that the fee will be completely avoided.

Small Purchase Charge Card Underutilization

Page 2 of 2

September 10, 2003

The Department of Accounts will collect the \$1 check fee by DOA journal entry. The fee will be charged as an expenditure to the agency's largest administrative program with an object code of 1546. The agency may move the expenditure via ATV to another fund and/or program but the object code may not be changed.

Questions regarding this check fee or utilization should be directed to:

June Kopald

Financial Management Analyst

☎ (804) 371-7804

✉ jkopald@doa.state.va.us

Sheila McNair

Financial Services Assistant Manager

☎ (804) 225-2230

✉ smcnair@doa.state.va.us